

AMENDED IN ASSEMBLY MAY 2, 2005

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 339

Introduced by Assembly Member Harman

February 10, 2005

~~An act to amend Section 17900 of the Business and Professions Code, to amend Sections 1113, 1152, and 1157 of, to add Chapter 1 (commencing with Section 15900) to, and to add and repeal Sections 15534 and 15724 of, the Corporations Code, and to repeal and add Section 12188 of the Government Code, relating to limited partnerships. An act to amend Section 15679.3 of the Corporations Code, relating to limited partnerships.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 339, as amended, Harman. ~~Uniform Limited Partnership Act of 2005~~ *Limited partnerships: reorganization.*

Existing law sets forth rules of organization and governance for limited partnerships. Existing law requires that, where limited partners have the right to require the partnership to purchase their interest for cash, the limited partnership mail to each limited partner a notice of the approval of the reorganization within 10 days after the date of the approval, accompanied by specified materials.

This bill would instead require the notice and materials to be mailed within 11 days after the date of the approval.

~~Existing law sets forth rules of organization and governance for limited partnerships.~~

~~This bill would revise and recast these provisions by enacting the Limited Partnership Act of 2005 and would repeal the existing~~

~~provisions for limited partnerships on January 1, 2008. The bill would make other related changes.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15679.3 of the Corporations Code is
2 amended to read:
3 15679.3. (a) If limited partners have a right under Section
4 15679.2, subject to compliance with paragraphs (4) and (5) of
5 subdivision (b) thereof, to require the limited partnership to
6 purchase their limited partnership interests for cash, such limited
7 partnership shall mail to each such limited partner a notice of the
8 approval of the reorganization by the requisite vote or consent of
9 the limited partners, within ~~10~~ 11 days after the date of such
10 approval, accompanied by a copy of this section and Sections
11 15679.2, 15679.4, 15679.5, and 15679.6, a statement of the price
12 determined by the limited partnership to represent the fair market
13 value of its outstanding interests, and a brief description of the
14 procedure to be followed if the limited partner desires to exercise
15 the limited partner's rights under such sections. The statement of
16 price constitutes an offer by the limited partnership to purchase at
17 the price stated any dissenting interests as defined in subdivision
18 (b) of Section 15679.2, unless they lose their status as dissenting
19 interests under Section 15679.11.
20 (b) Any limited partner who has a right to require the limited
21 partnership to purchase the limited partner's interest for cash
22 under Section 15679.2, subject to compliance with paragraphs
23 (4) and (5) of subdivision (b) thereof, and who desires the limited
24 partnership to purchase such interest, shall make written demand
25 upon the limited partnership for the purchase of such interest and
26 the payment to the limited partner in cash of its fair market value.
27 The demand is not effective for any purpose unless it is received
28 by the limited partnership or any transfer agent thereof (1) in the
29 case of interests described in clause (i) or (ii) of subparagraph
30 (A) of paragraph (1) of subdivision (b) of Section 15679.2, not
31 later than the date of the limited partners' meeting to vote upon
32 the reorganization, or (2) in any other case, within 30 days after
33 the date on which notice of the approval of the reorganization by

1 the requisite vote or consent of the limited partners is mailed by
2 the limited partnership to the limited partners.

3 (c) The demand shall state the number or amount of the
4 limited partner's interest in the limited partnership and shall
5 contain a statement of what such limited partner claims to be the
6 fair market value of that interest on the day before the
7 announcement of the proposed reorganization. The statement of
8 fair market value constitutes an offer by the limited partner to sell
9 the interest at such price.

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12 **All matter omitted in this version of the bill**
13 **appears in the bill as amended in Assembly,**
14 **April 11, 2005 (JR11)**
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